

September 13, 2010

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT
ASSEMBLY BILL NO. 2911
(First Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 2911 (First Reprint) with my recommendations for reconsideration.

Under this legislation, a municipal free public library would be obligated to transfer to the municipality any undesignated surplus funds in excess of 20% of that library's audited operating expenditures for a prior budget year.

Under current law, a municipal free library is authorized to return - on a voluntary basis - surplus funds in excess of 125% of its audited operating expenditures for a prior budget year, but only after the municipal free library has been in existence for eight budget years. Moreover, under current law, these libraries cannot transfer surplus funds unless the library is determined to be in compliance with all applicable rules and regulations under the State Library Aid Law, which includes standards to ensure that libraries maintain certain staffing, operational, and resource levels.

I commend the sponsors' recognition that shared sacrifice must be realized at all levels in this time of unprecedented economic crisis. I also agree with the sponsors that an increased percentage of library surpluses should be made available to municipalities for property tax relief. In this current fiscal and economic climate, no government entity should be sitting on an excess surplus - the proverbial rainy day has arrived.

I am concerned, however, that the approach embraced by this bill fails to preserve the component of current law that ensures maintenance of quality standards. These minimum standards

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

2

ensure that municipalities do not neglect their libraries and allow them to fall into disrepair or disuse. I believe that our public libraries are an educational, informational, and recreational resource for all citizens that must be safeguarded and preserved.

As such, I am returning this legislation with the recommendation that the Legislature restore the protections contained under the current law. Such restoration will continue to allow municipalities to reclaim excess surplus, but only after it has been verified that the library is providing quality services and access to its citizens.

My recommendations also are intended to ensure that any returned funds will be used "solely and exclusively by the municipality for the purposes of reducing the amount the municipality is required to raise by local property tax levy," as required under existing law, N.J.S.A. 40A:4-25.1. This bill in its current form fails to clearly address this important issue, by purporting to allow the funds to be used for other purposes, which may or may not include property tax relief. I believe that the return of these funds must directly accrue to the benefit of the taxpayers of New Jersey.

Accordingly, I herewith return Assembly Bill No. 2911 (First Reprint) and recommend that it be amended as follows:

Page 2, Section 1, Lines 23-25:

Delete	"undesignated
general fund balance in	
excess of 20 percent of	
the audited operating	
expenditures for the	
preceding budget year"	
and insert "amount that	
exceeds the sum of the	
amount of the audited	
operating expenditures	
of the library for the	
most recent available	
year, plus an additional	
20% of those operating	
expenditures, excluding	

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

3

funds restricted for capital projects and grants, to be maintained as surplus"

Page 2, Section 1, Line 30:

After "(1)", delete "The" and insert "Except as limited in paragraph (2) of this subsection, the"

Page 2, Section 1, Line 31:

After "intent]", insert "of its intent"

Page 2, Section 1, Lines 37-38:

Delete "(Deleted by amendment, P.L. ' c.) (pending before the Legislature as this bill)" and insert "The board of trustees of a municipal free library established after the effective date of P.L.2008, c.8 shall not adopt a resolution of intent pursuant to this subsection before the eighth budget year following its establishment."

Page 2, Section 1, Line 40:

After "intent]", insert "of intent"

Page 3, Section 1, Line 3:

After "met:]", insert "for approval, along with any other information required by the State Librarian and in accordance with procedures and forms promulgated by the State Librarian in consultation with the Director of the Division of Local Government Services in the Department of Community Affairs. The State Librarian shall approve any resolution upon a determination that all of the following provisions are met:"

Page 3, Section 1, Line 4:

Delete "The" and insert "(1) the"

Page 3, Section 1, Line 4:

Delete "shall not" and insert "will still"

Page 3, Section 1, Lines 5-6:

Delete "from its received public funds that is greater than 20 percent of" and insert "equal to"

Page 3, Section 1, Lines 7-8:

Delete "as surplus" and insert "plus an

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

4

additional 20% of that amount"

Page 3, Section 1, Line 26:

After "Librarian", insert "to be maintained as surplus;

(2) the municipality and the municipal free library are in compliance with all conditions imposed by rule or regulation promulgated by the State Librarian for per capita library aid to public libraries according to the "state library aid law," N.J.S.18A:74-1 et seq., and pertaining to appropriations for the maintenance of a municipal free library according to R.S.40:54-8 or section 2 of P.L.1959, c.155 (C.40:54-29.4) in the case of a joint free public library;

(3) there are sufficient funds remaining in the municipal free library's operating budget for the maintenance of the library for the balance of the fiscal year in which the transfer of funds to the municipality occurs; and

(4) the library board of trustees has a written plan of at least three years that reflects that the long-term funding needs of the library will be met, and that any capital expense will contribute to the provision of efficient and effective library services, and that the written plan has been approved by the State Librarian"

Page 3, Section 1, Line 27:

Delete "adoption" and insert "approval"

Page 3, Section 1, Line 28:

After "section]", insert "of intent by the State Librarian pursuant to

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

5

subsection c. of this
section"

Page 3, Section 1, Lines 30-31:

Delete "for its general
purposes, which may
include property tax
relief"

Respectfully,

/s/ Chris Christie
Governor

[seal]

Attest:

/s/ Jeffrey S. Chiesa
Chief Counsel to the Governor